



# Investor Presentation

9M 2021 Results

Hamburg, 12 November 2021

# Opening Remarks

## 1 | Current developments

- 9M 2021 driven by continuing strong demand, infrastructure bottlenecks and high freight rates
- Acquisition of NileDutch completed, voyage cut-over started in October 2021
- Agreement signed for a participation in the JadeWeserPort in September 2021

## 2 | Financials

- Earnings continued to increase strongly on the back of higher freight rates and transport volumes
- Transport expenses increased as a result of supply-chain disruptions and generally higher costs
- Balance sheet ratios significantly improved driven by very strong earnings

## 3 | Market Update

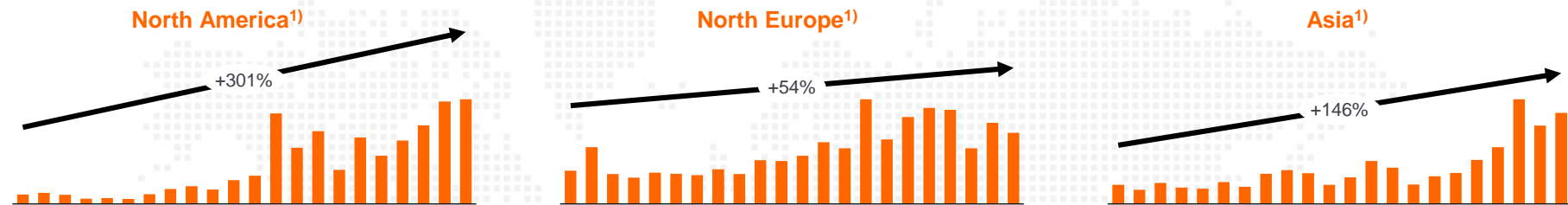
- Demand is expected to slightly outgrow supply in 2021e & 2022e
- Supply-chain disruptions likely to persist at least until H1 2022
- Vessel order activity slowed down in Q3 2021; orderbook-to-fleet ratio currently at around 22%

## 4 | Way forward

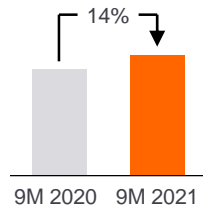
- Earnings momentum likely to remain strong for the rest of the year
- We therefore raised our earnings outlook for FY 2021 on 29 October
- Priorities for the next years and Sustainability Strategy to be presented at our vCMD on 17 November

# Waiting times outside ports and average berth duration increased significantly while terminal productivity decreased...

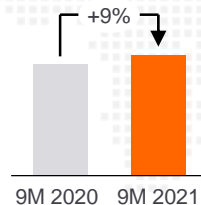
## Average waiting times outside ports Jan 2020 – Sep 2021 [hours]



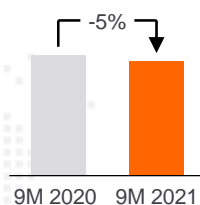
## Global port operations 9M 2020 vs 9M 2021



Global average berth duration  
[hours]



Global average container moves  
[Boxes/berth]



Global average Terminal gross moves  
[Boxes/hour]

# ... we have therefore implemented many countermeasures to limit the impact on our customers and to improve service quality



We moved **capacity to high-demand trades** and optimized our service network further



We **re-routed cargo** through alternative gate-ways to bypass congested ports



We bought **second hand tonnage**, chartered **additional vessels** and deployed **extra-loaders**



We have ordered **additional containers** and increased repair and maintenance of older ones



We added **workforce**, **IT capacity** and introduced **new digital solutions** to improve customer satisfaction and service quality

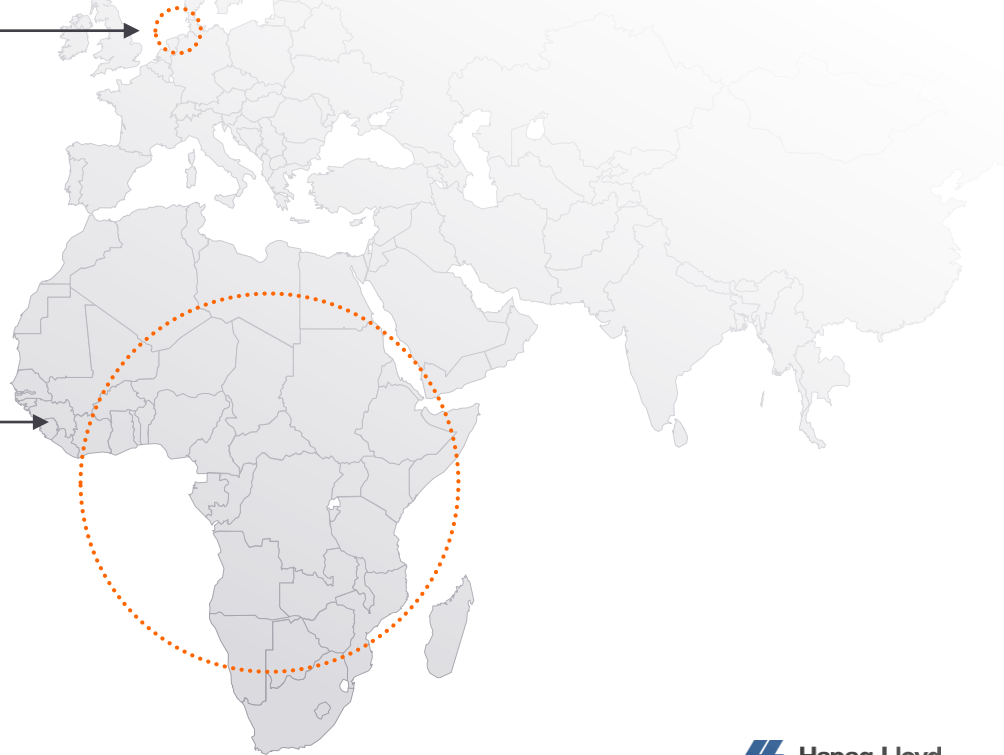
# We have closed the transaction with NileDutch and will invest in the JadeWeserPort, which will strengthen our offering in Germany

## JadeWeserPort

- 30% stake in Container Terminal Wilhelmshaven (CTW) and 50% stake in Rail Terminal Wilhelmshaven (RTW)
- Strengthens position of German ports and reinforces our competitiveness, especially in the Far East trades
- Increased flexibility and shorter transit times
- Signing in September, closing expected in the following months

## NileDutch

- Closing of the transaction in July
- Successful voyage cut-over started in October
- Goal is to fully integrate NileDutch until end of this year
- Q3 contribution of approx. 50 TTEU on the African trade



# We have achieved an exceptionally strong result, further strengthened our balance sheet and earned our cost of capital

## Operational KPIs



<b>Volume TTEU</b>	<b>8,980</b> PY: 8,696	» Volume increased by <b>3.3% YoY</b> as a result of overall demand growth as well as NileDutch
<b>Rate USD/TEU</b>	<b>1,818</b> PY: 1,097	» Average freight rate increased by <b>66% YoY</b> mainly due to continuously high demand and supply chain bottlenecks
<b>Bunker USD/mt</b>	<b>452</b> PY: 402	» Average bunker consumption price increased by <b>50 USD/mt</b> due to higher bunker market prices

## Balance sheet



<b>Assets USD m</b>	<b>25,841</b> PY: 18,640	» Total assets increased by <b>USD 7.2 bn</b> vs. 31 Dec 2020 mainly due to higher cash and add. RoU for vessels and containers
<b>Fin. Debt USD m</b>	<b>6,389</b> PY: 6,305	» Fin. Debt remained mainly unchanged vs. 31 Dec 2020 as debt repayments were offset by higher IFRS 16 lease liabilities
<b>Liquidity USD m</b>	<b>5,766</b> PY: 1,421	» Liquidity reserve increased significantly by <b>USD 4.3 bn</b> vs. 31 Dec 2020 driven by a strong cash flow generation

## P&L effects



<b>Revenue USD m</b>	<b>17,945</b> PY: 10,525	» Very strong revenue increase ( <b>USD +7.4 bn</b> ) due to higher freight rates and volumes
<b>EBITDA USD m</b>	<b>8,163</b> PY: 2,044	» EBITDA increased significantly by <b>USD +6.1 bn</b> on the back of higher freight rates...
<b>EAT USD m</b>	<b>6,655</b> PY: 605	» ...which also led to a substantially increased net profit ( <b>USD +6.1 bn</b> )

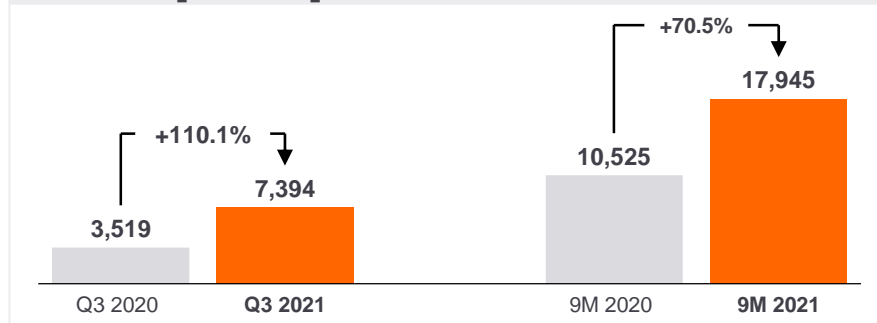
## Financial KPIs



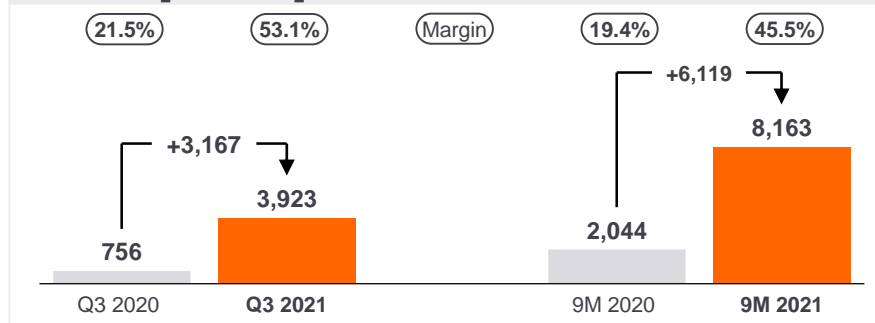
<b>FCF USD m</b>	<b>6,597</b> PY: 1,866	» Strong Free Cash Flow generation due to high profitability ...
<b>Net debt / EBITDA</b>	<b>0.1x</b> PY: 2.3x	» ...with the result that net debt to EBITDA was further reduced substantially
<b>ROIC %</b>	<b>59.6%</b> PY: 8.9%	» Return on Invested Capital exceeded WACC of 6.0% clearly

# After a strong H1 2021, Q3 earnings improved even further

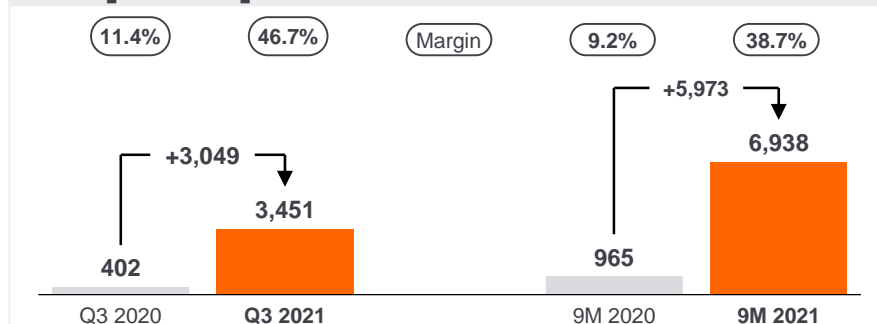
## Revenue [USD m]



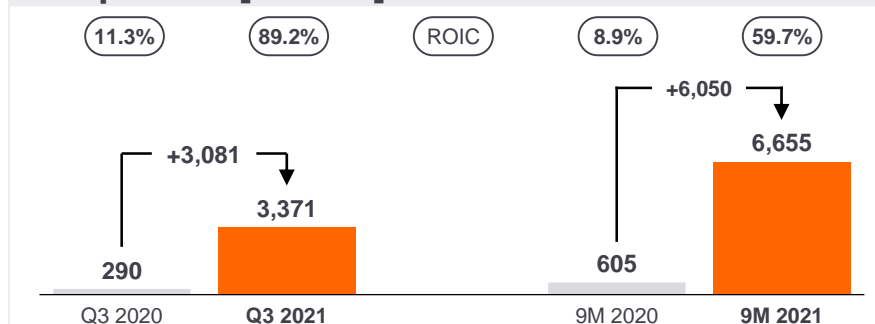
## EBITDA [USD m]



## EBIT [USD m]



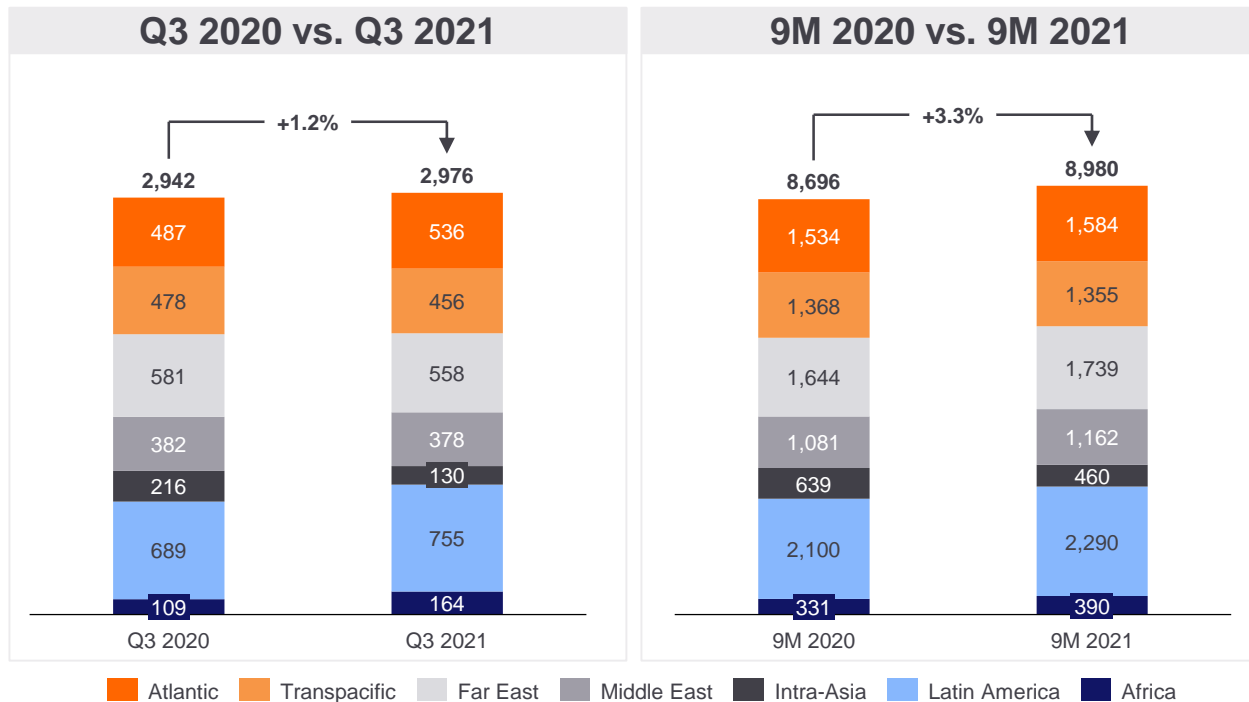
## Group Profit [USD m]





# Transport volumes increased by 3.3% YoY, but were negatively impacted by the ongoing disruption of global supply chains

## Transport volume development by trade [TTEU]

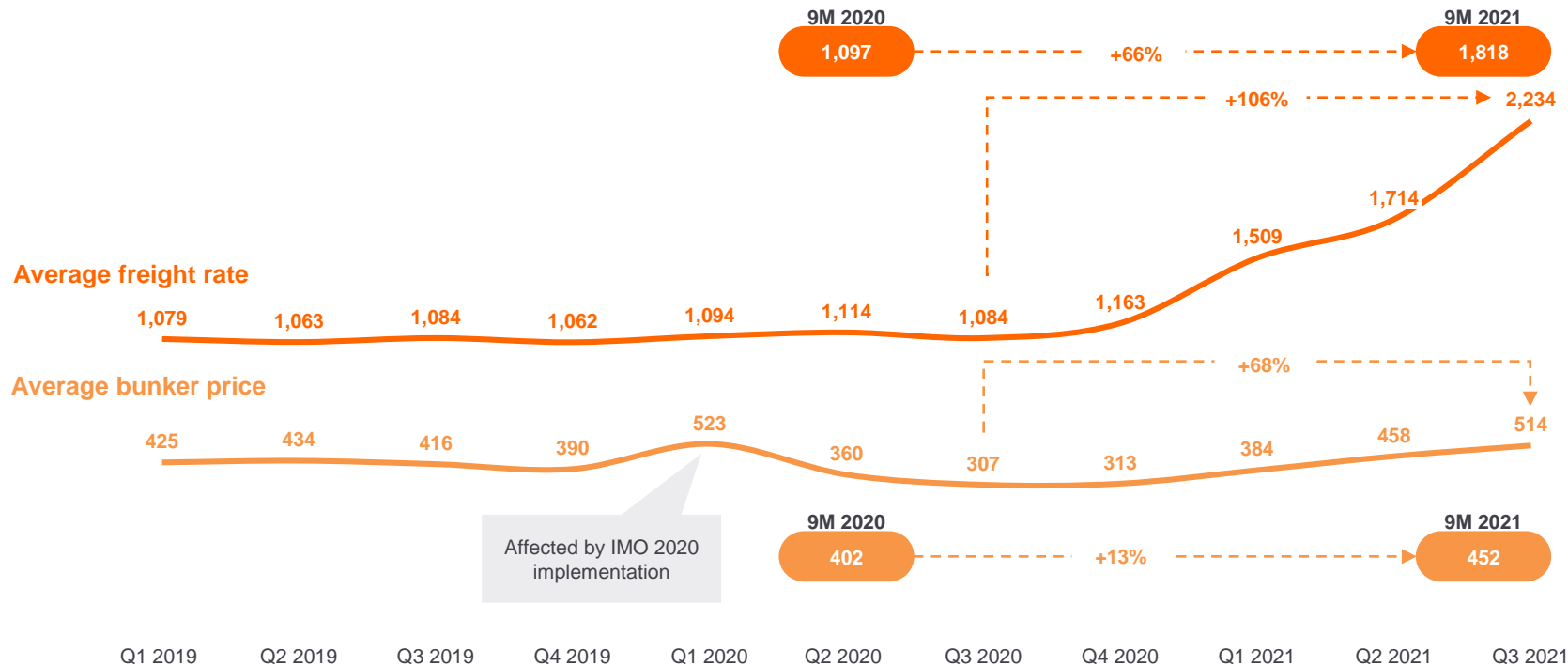


- Strong demand for exported goods from Asia led to an increase in global transport volumes
- Intra-Asia volumes affected by network optimization and container repositioning to meet demand of exported goods from Asia to the rest of the world
- Transpacific trade massively impacted by congestion of port infrastructure and resulting delays



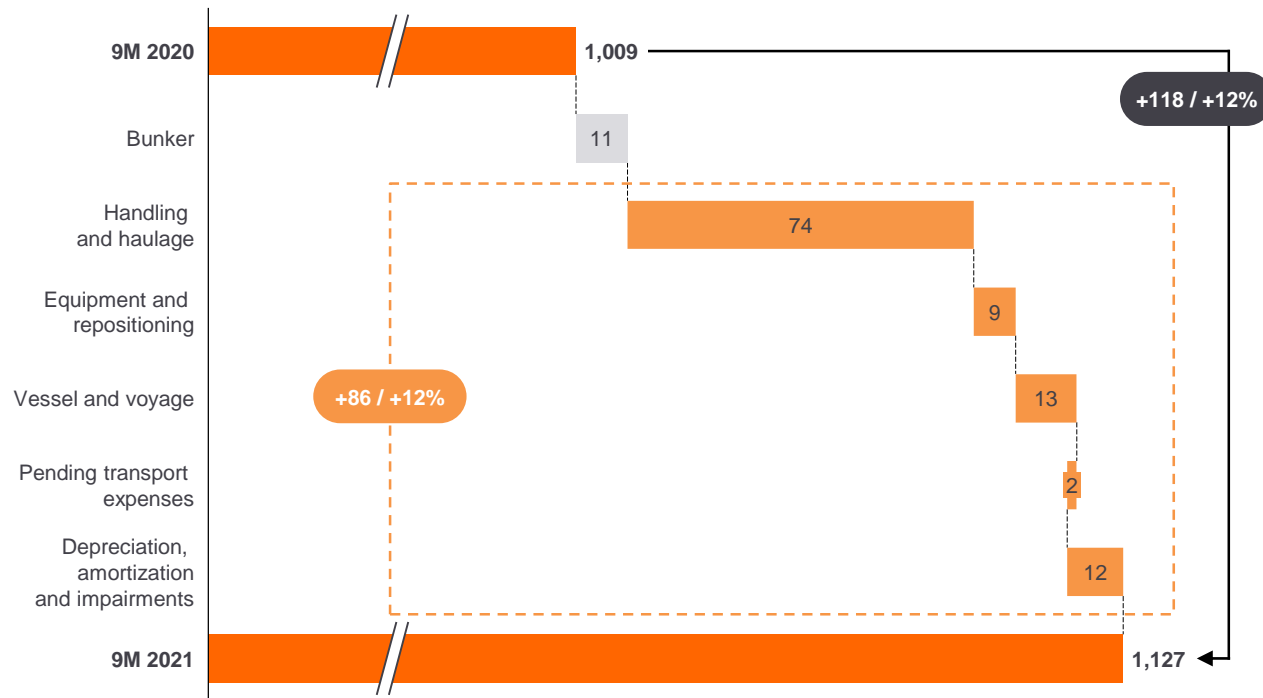
# Freight rates increased strongly by ~66% YoY due strong demand and tight capacity situation but bunker costs are on a steady rise also

## Freight rate [USD/TEU] vs. Bunker price development [USD/mt]



# Operational challenges resulted in clearly higher transport expenses per unit

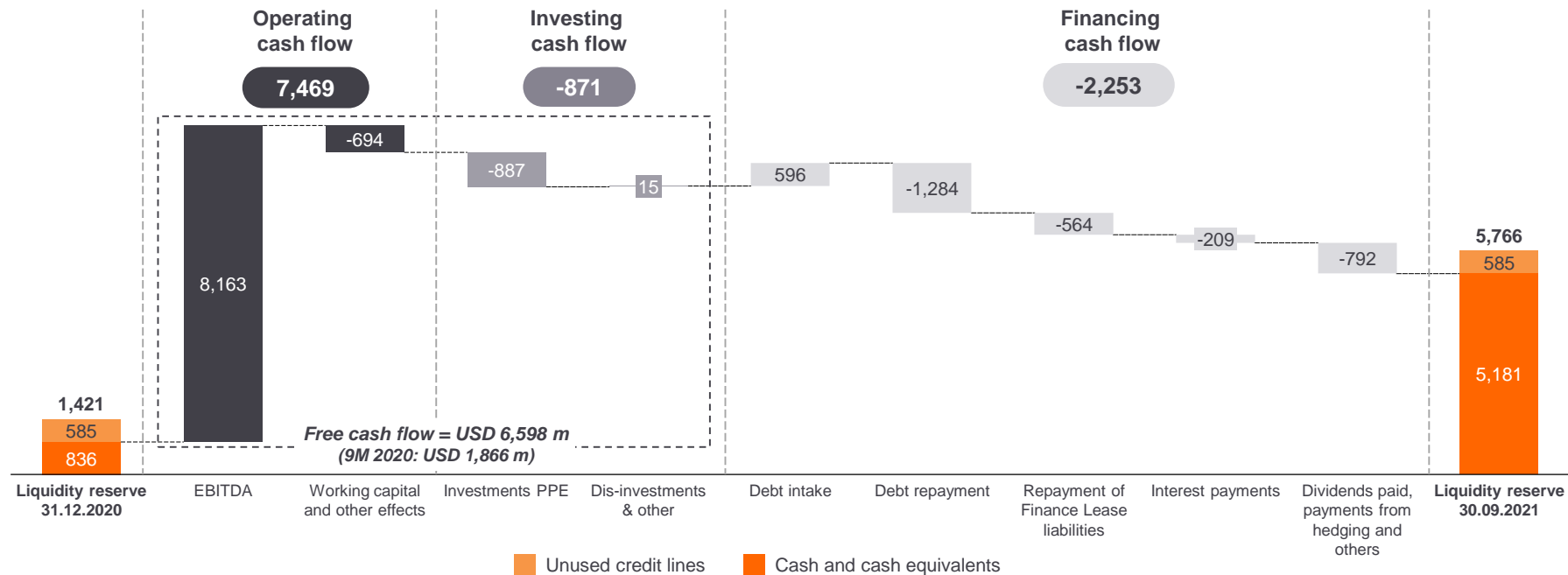
## Transport expenses per unit [USD/TEU]



- Bunker expenses increased by 8.2% on the back of higher average bunker consumption prices
- Negative effects of operational disruptions, leading to higher costs in “Handling and Haulage” (+16.4%) as well as in “Equipment and Repositioning” (+8.2%)
- “Depreciation and amortization” increased by 10.0%, primarily due to the rise in the percentage of vessels chartered in at simultaneously higher charter rates

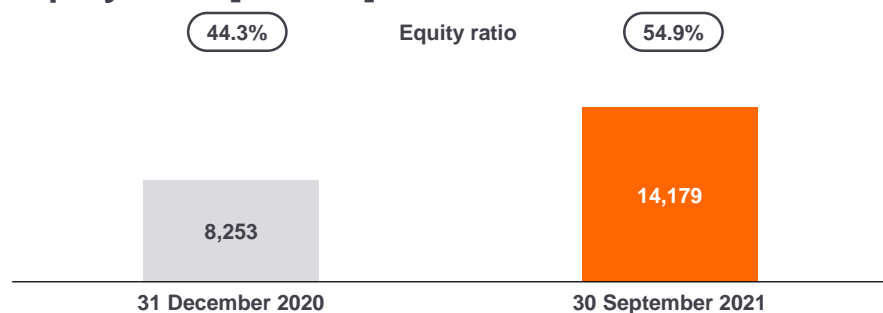
# Free cash flow surged to USD 6.6 bn

## Cash flow 9M 2021 [USD m]

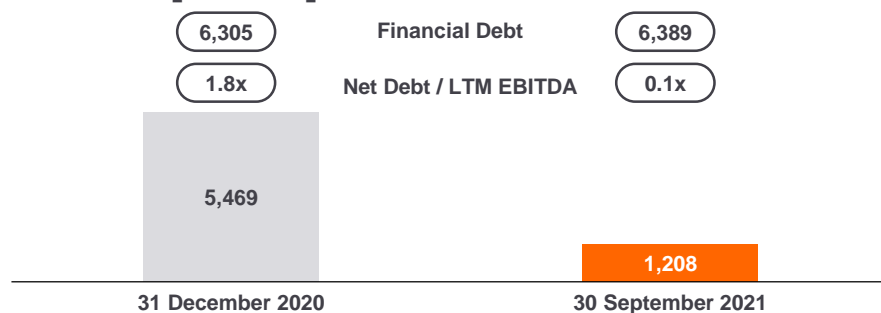


# Balance sheet ratios significantly improved – Net Debt further reduced by USD 4.3 bn while Net Leverage close to zero

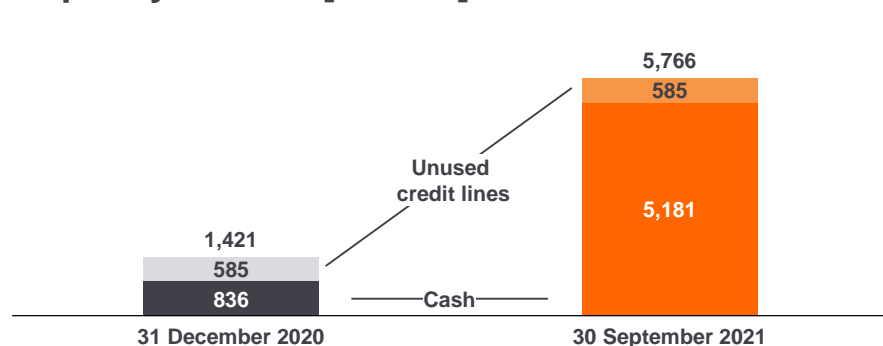
## Equity base [USD m]



## Net debt [USD m]



## Liquidity reserve [USD m]



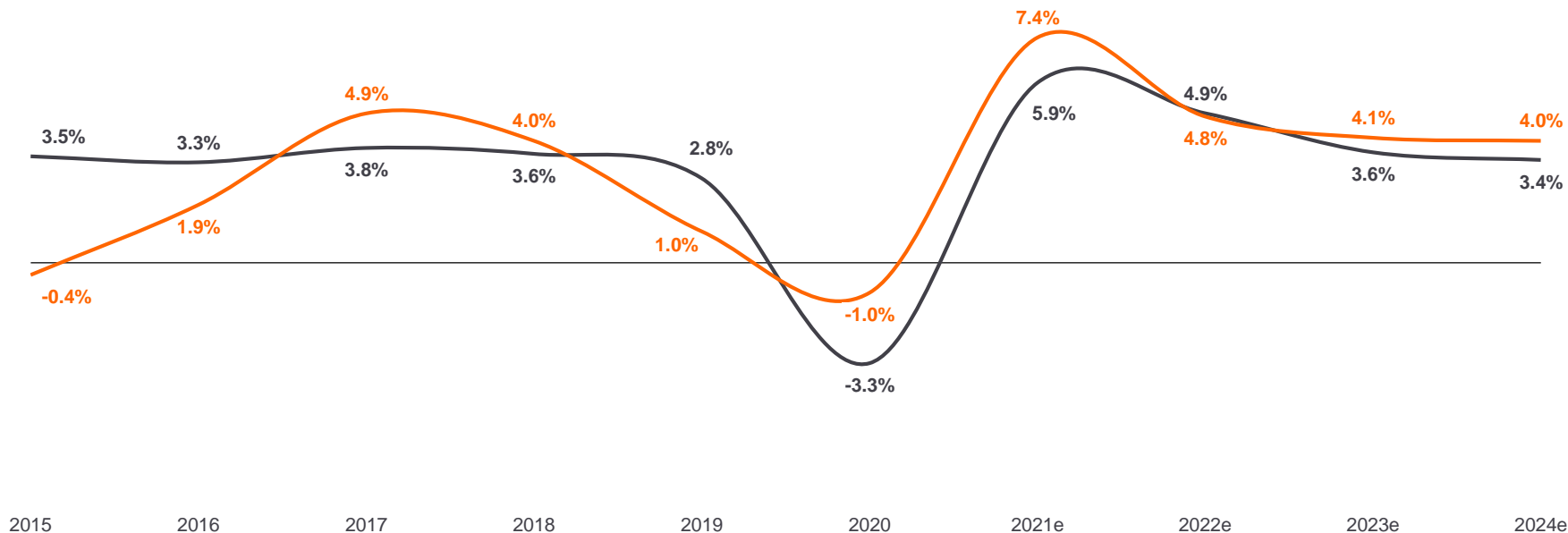
## Comments

- Equity increased substantially due to increased earnings in 9M 2021
- Net debt further reduced by USD 4.3 bn and net leverage (LTM) now at only 0.1x due to increased earnings and strong cash generation
- Increase in cash and cash equivalents primarily due to strong operating cash flow

# On the back of the economic recovery, global container transport volumes are expected to rise moderately in the years to come

## GDP vs. global container volume growth [%]

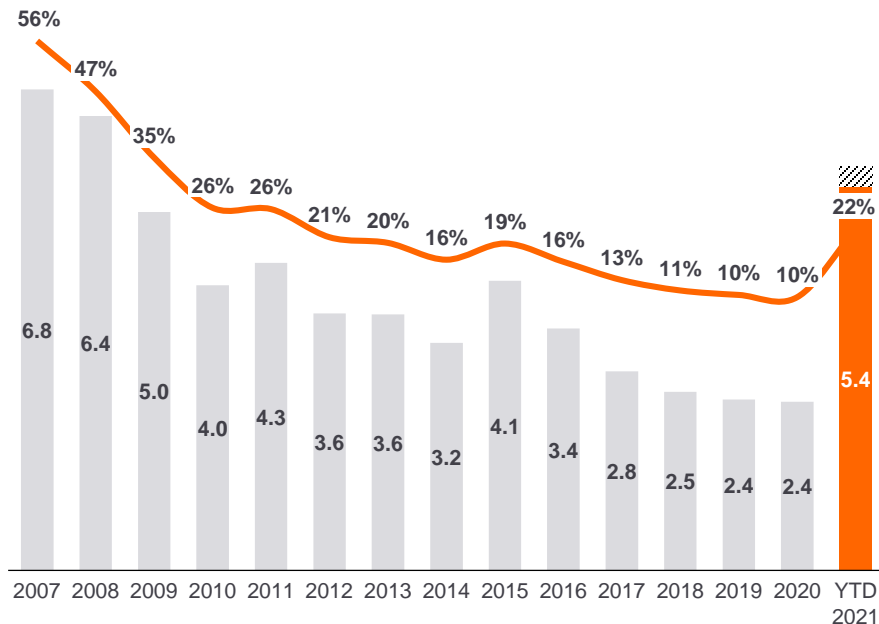
— GDP — Container volume growth



# Strong order activity since Q4 2020 drove orderbook-to-fleet ratio to roughly 22% but slowed down lately – idle fleet close to zero

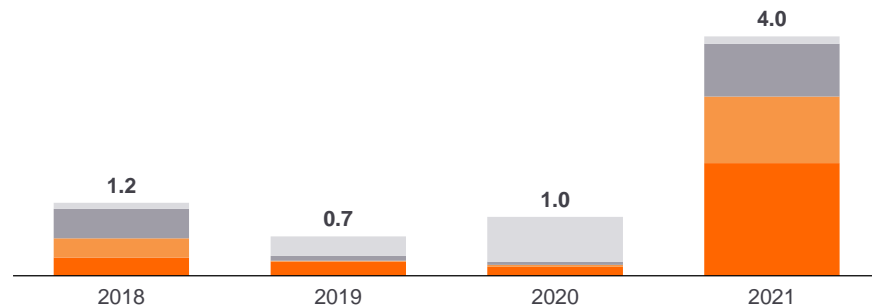
## Global orderbook

[TEU m, %]    ■ Orderbook    — Share of world fleet

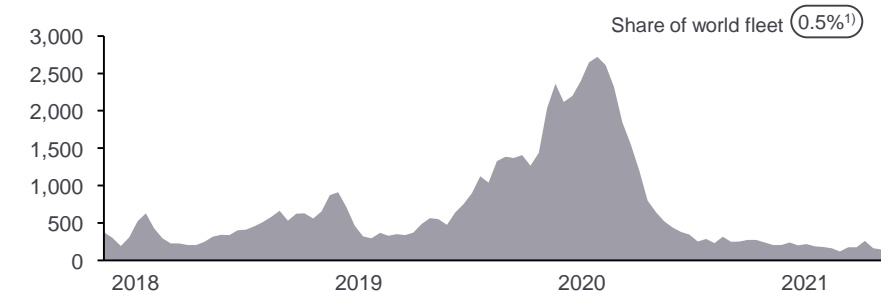


## Newly placed orders

[TEU m]    ■ Q4    ■ Q3    ■ Q2    ■ Q1



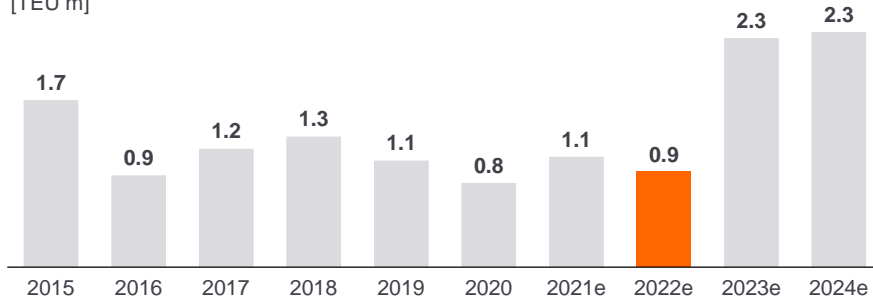
## Idle fleet [TTEU]



# Recently ordered capacity will only come into the market in 2023/2024 – Scrapping is expected to rise significantly in the years to come

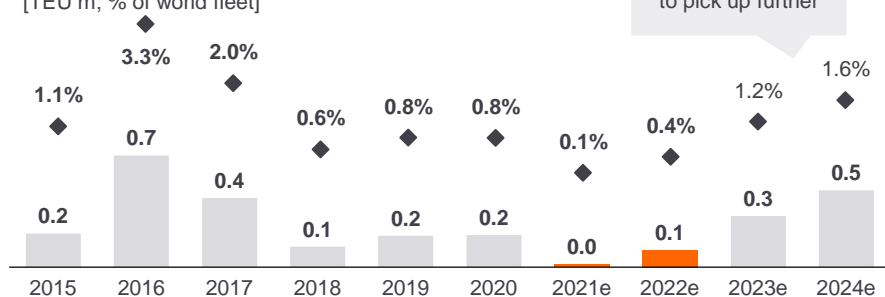
## [Scheduled] vessel deliveries

[TEU m]

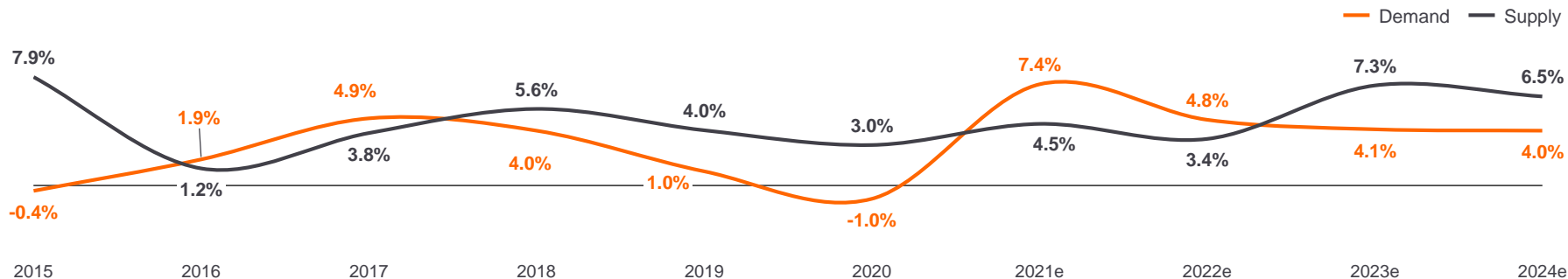


## [Expected] scrapping

[TEU m; % of world fleet]




## Supply / Demand balance





# Earnings momentum likely to remain very strong in Q4 – FY 2021 EBITDA and EBIT outlook raised

	FY 2020	Previous outlook for FY 2021	Updated outlook for FY 2021
 Transport volume	11,838 TTEU	Increasing slightly	On previous year's level
 Bunker consumption price	379 USD/mt	Increasing clearly	Increasing clearly
 Freight rate	1,115 USD/TEU	Increasing clearly	Increasing clearly
 EBITDA	USD 3,082 m	USD 9.2 – 11.2 bn EUR 7.6 – 9.3 bn	USD 12.0 – 13.0 bn EUR 10.1 – 10.9 bn
 EBIT	USD 1,501 m	USD 7.5 – 9.5 bn EUR 6.2 – 7.9 bn	USD 10.3 – 11.3 bn EUR 8.7 – 9.5 bn

## How we look ahead:

**Operational challenges remain**, normalization not expected before H1 2022

**Customer proximity** and **transparency** is of utmost importance

Continue to follow a **prudent financial policy** and work on **bringing down unit costs**

**Digital solutions** more important than ever before

We will share with you  
our priorities until 2023  
and beyond  
and present our  
**Sustainability Strategy**  
at our virtual  
**Capital Markets Day**  
on **November 17<sup>th</sup>**



# Appendix

# Hapag-Lloyd with an equity ratio of 49.3% and a gearing of 36.1%

## Balance sheet [USD m]

million USD	30.9.2021	31.12.2020
<b>Assets</b>		
Non-current assets	16,699.1	15,508.3
of which fixed assets	16,612.3	15,413.3
Current assets	9,142.2	3,131.9
of which cash and cash equivalents	5,181.2	836.4
<b>Total assets</b>	<b>25,841.2</b>	<b>18,640.2</b>
<b>Equity and liabilities</b>		
Equity	14,178.8	8,252.8
Borrowed capital	11,662.4	10,387.4
of which non-current liabilities	5,506.9	5,731.3
of which current liabilities	6,155.5	4,656.1
of which financial debt and lease liabilities	6,388.8	6,305.1
of which non-current financial debt and lease liabilities	4,975.0	5,119.6
of which current financial debt and lease liabilities	1,413.8	1,185.5
<b>Total equity and liabilities</b>	<b>25,841.2</b>	<b>18,640.2</b>

## Financial position [USD m]

million USD	30.9.2021	31.12.2020
Financial debt and lease liabilities	<b>6,388.8</b>	<b>6,305.1</b>
Cash and cash equivalents	5,181.2	836.4
<b>Net debt</b>	<b>1,207.7</b>	<b>5,468.8</b>
Unused credit lines	585.0	585.0
<b>Liquidity reserve</b>	<b>5,766.2</b>	<b>1,421.4</b>
Equity	14,178.8	8,252.8
<b>Gearing (net debt / equity) (%)</b>	<b>8.5</b>	<b>66.3</b>
<b>Net debt to EBITDA<sup>1</sup></b>	<b>0.1x</b>	<b>1.8x</b>
<b>Equity ratio (%)</b>	<b>54.9</b>	<b>44.3</b>

# Hapag-Lloyd with strong EBIT of USD 6,937.9 m in 9M 2021

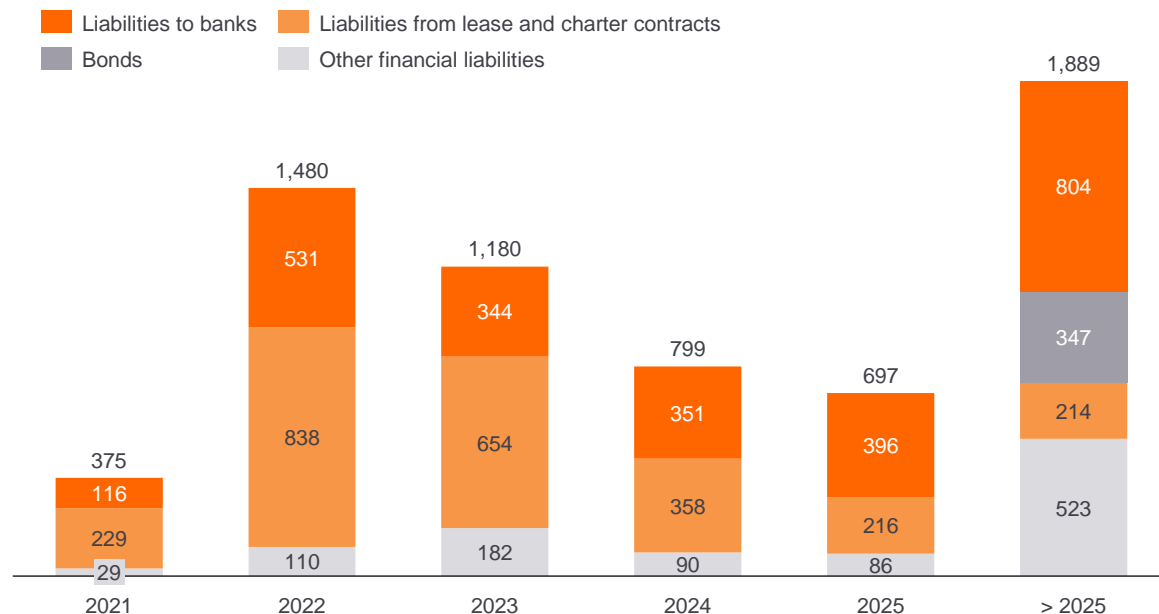
## Income statement [USD m]

million USD	Q3 2021	Q2 2021	Q3 2020	QoQ Change	YoY change	9M 2021	9M 2020	Change
Revenue	7,393.9	4,903.2	3,519.4	50.8%	110.1%	17,945.2	10,524.6	70.5%
Transport expenses	-3,158.6	-2,737.0	-2,486.1	15.4%	27.1%	-8,895.0	-7,696.0	15.6%
Personnel expenses	-206.2	-198.1	-201.1	4.1%	2.5%	-636.9	-576.0	10.6%
Depreciation, amortisation and impairment	-472.4	-370.0	-354.6	27.7%	33.2%	-1,224.8	-1,078.6	13.6%
Other operating result	-113.3	-60.2	-86.5	-88.3%	-30.9%	-272.0	-236.8	-14.9%
<b>Operating result</b>	<b>3,443.4</b>	<b>1,538.0</b>	<b>391.1</b>	<b>123.9%</b>	<b>780.5%</b>	<b>6,916.5</b>	<b>937.3</b>	<b>637.9%</b>
Share of profit of equity-accounted investees	7.7	1.5	10.6	406.1%	-27.6%	21.9	27.9	-21.4%
Result from investments	-0.5	-	0.1	n.m.	-667.0%	-0.5	-0.2	n.m.
<b>Earnings before interest and tax (EBIT)</b>	<b>3,450.5</b>	<b>1,539.5</b>	<b>401.7</b>	<b>124.1%</b>	<b>758.9%</b>	<b>6,937.9</b>	<b>964.9</b>	<b>619.0%</b>
Interest result	-62.9	-77.5	-93.9	-18.9%	-33.0%	-235.4	-318.6	-26.1%
Other financial items	1.5	2.1	-4.8	-27.5%	n.m.	-0.7	-1.8	n.m.
Income taxes	-18.3	-13.3	-12.8	37.9%	43.6%	-46.9	-39.8	17.9%
<b>Group profit / loss</b>	<b>3,370.8</b>	<b>1,450.7</b>	<b>290.3</b>	<b>132.4%</b>	<b>1,061.1%</b>	<b>6,654.8</b>	<b>604.8</b>	<b>1,000.4%</b>

# Well balanced maturity structure of financial liabilities

## Financial Debt Profile as per 30 September 2021<sup>1)</sup>, [USD m]

Facility	30 September 2021 [USD m]
Vessel Financings	2,135
Container Financings	1,274
<b>Total Vessel &amp; Container</b>	<b>3,409</b>
EUR Bond 2024	347
<b>Total Bonds</b>	<b>347</b>
Corporate secured	83
Corporate unsecured	71
<b>Total corporate</b>	<b>154</b>
Pre IFRS 16 Leases	37
New IFRS 16 Leases	2,473
<b>Total Finance Leases</b>	<b>2,509</b>
<b>Total financial liabilities</b>	<b>6,420<sup>2)3)</sup></b>



1) Deviation from the total financial debt as shown in the balance sheet as per 30.09.2021 consists of transaction costs and accrued interest

2) Liabilities from lease and charter contracts consist of USD 37 million liabilities from former finance lease contracts and USD 2,473 USD

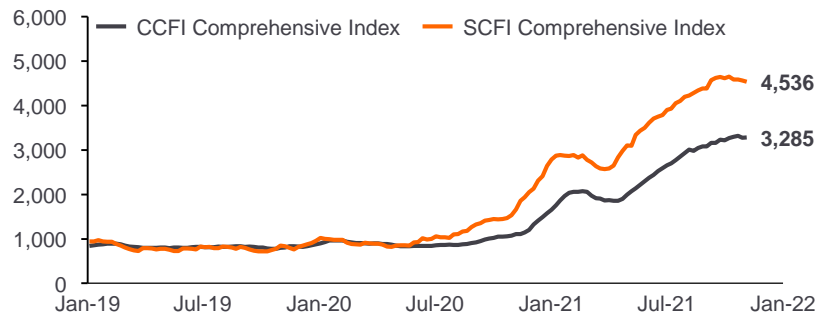
million from lease contracts presented as on-balance financial liability due to first-time application of IFRS 16

3) Repayment amounts based on contractual debt as per 30 September 2021

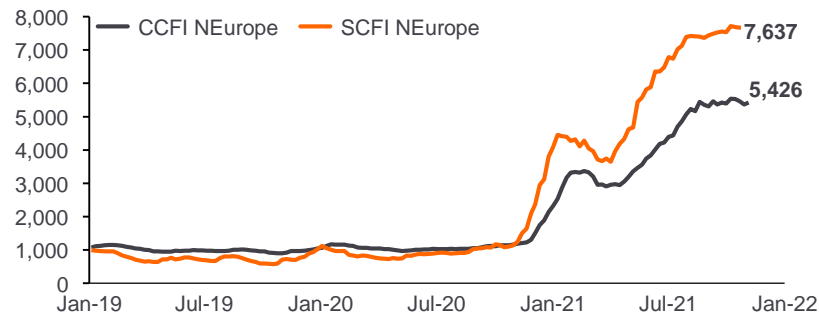
Note: Rounding differences may occur

# Freight rate development

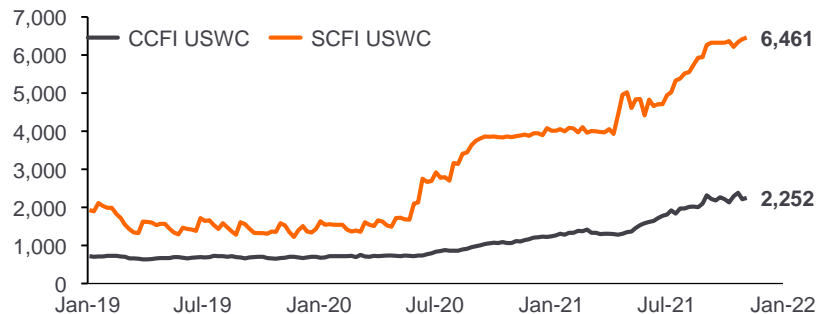
## Comprehensive Index [USD/TEU]



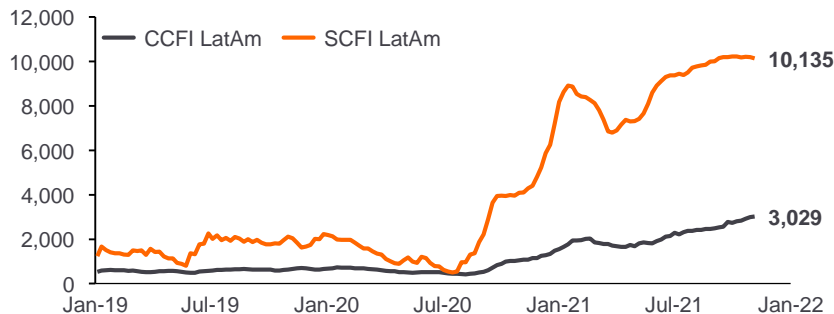
## Shanghai – North Europe [USD/TEU]



## Shanghai – USA West Coast [USD/FEU]



## Shanghai – Latin America [USD/TEU]





# Share price development

## Performance since 1 January 2021

Indexed Price



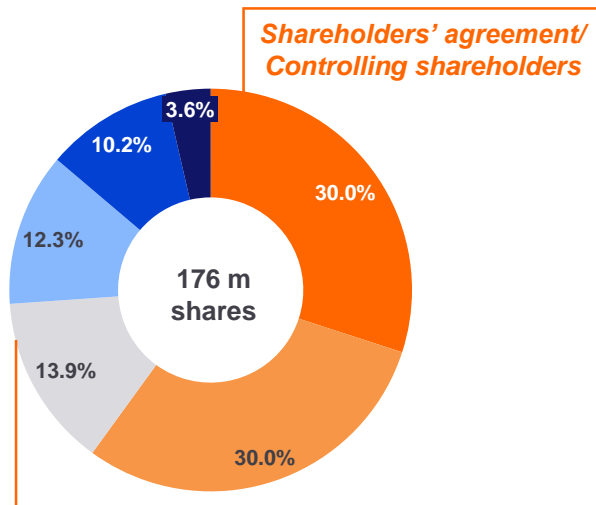
Stock Exchange	Frankfurt Stock Exchange / Hamburg Stock Exchange
Market segment	Regulated market (Prime Standard)
ISIN / WKN	DE000HLAG475 / HLAG47
Ticker Symbol	HLAG
Primary listing	6 November 2015
Number of shares	175,760,293

# Bond trading

	EUR Bond 2028
Listing	Open market of the Luxembourg Stock Exchange (Euro MTF)
Volume	EUR 300 m
ISIN / WKN	XS2326548562
Maturity Date	April 15, 2028
Redemption Price	as of 15 April 2024: 101.375% as of 15 April 2025: 100.688% as of 15 April 2026: 100%
Coupon	2.500%



# Shareholder structure



- Kühne Maritime GmbH / Kühne Holding AG
- CSAV Germany Container Holding GmbH
- HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH
- Qatar Holding Germany GmbH
- The Public Investment Fund on behalf of the Kingdom of Saudi Arabia
- Free Float

# Financial Calendar 2022

<b>January 2022</b>	Preliminary Financials FY 2021
<b>March 2022</b>	Annual Report FY 2021
<b>May 2022</b>	Quarterly Financial Report Q1 2022
<b>May 2022</b>	Virtual Annual General Meeting 2022
<b>August 2022</b>	Half-year Financial Report 2022
<b>November 2022</b>	Quarterly Financial Report 9M 2022

# Disclaimer

## Forward-looking statements

This presentation contains forward-looking statements that involve a number of risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, as well as uncertainties and contingencies that are subject to change. Actual results can differ materially from those anticipated in the Company's forward-looking statements as a result of a variety of factors, many of which are beyond the control of the Company, including those set forth from time to time in the Company's press releases and reports and those set forth from time to time in the Company's analyst calls and discussions. We do not assume any obligation to update the forward-looking statements contained in this presentation.

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<https://www.hapag-lloyd.com/en/ir.html>